

Meeting of 1999-8-9 Special Meeting

MINUTES
SPECIAL CALLED MEETING
LAWTON CITY COUNCIL
AUGUST 9, 1999 - 5:30 P.M.
WAYNE GILLEY CITY HALL COUNCIL CHAMBER

Mayor Cecil E. Powell, Also Present:
Presiding Bill Baker, City Manager John Vincent, City Attorney
Brenda Smith, City Clerk

The meeting was called to order at 5:00 p.m. by Mayor Powell. Notice of meeting and agenda were posted on the City Hall notice board as required by State Law.

ROLL CALL

PRESENT: G. Wayne Smith, Ward One
Richard Williams, Ward Two
Glenn Devine, Ward Three
John Purcell, Ward Four
Robert Shanklin, Ward Five
Charles Beller, Ward Six
Stanley Haywood, Ward Seven
Randy Warren, Ward Eight

ABSENT: None.

BUSINESS ITEM:

1. Discuss the proposed Capital Improvements Program (CIP) and provide appropriate direction with regard to the program. Exhibits: None.

Mayor Powell said he would leave at 6:15 p.m. for an engagement that was scheduled months back and that the Mayor Pro Tem could preside at that time if needed.

Mayor Powell provided the following as an explanation of actions taken to date: After the first CIP workshop, Shanklin asked if the Mayor would have members of the Council and City officials meet with the School Board and their representatives. Powell said that was done and that he reported after the first meeting as to the actions taken. Powell said he met later with Chuck Wade about another option that was available and a meeting was held with Braddy, Beauchamp and Wade on the school grounds; the same group was then called back together (Shanklin, Purcell, Baker, Powell for the City; Page, Braddy, Beauchamp and Neuwirth for the School) this morning.

A two-page document was handed to Council at the beginning of the meeting. Information from that document is as follows:

"PAGE ONE 2000 CAPITAL IMPROVEMENT PROGRAM
SALES TAX PROJECTS

DESCRIPTION	COST
1. Landfill	\$ 5,000,000
2. Water Treatment	35,500,000
3. (Greer) 34th St./Drainage	3,500,000
4. Eastside Park (Phase I)	1,500,000

SUBTOTAL: FUNDED BY SALES TAX \$45,500,000
(1.25% for 5 years)

AD VALOREM TAX PROJECTS

1. Water Distribution	6,000,000
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2. Water Pump Station No. 1 500,000
3. Major Arterials (matching amount):
 - a. NW 38th (\$1 to \$1.6 mill) 1,600,000
 - b. Flower Md. (\$1.8 to 2.8 mill) 2,800,000
 (Gore to Rogers Lane)
4. Fire Station #5 Relocation 1,300,000

SUBTOTAL: FUNDED BY AD VALOREM \$12,200,000
 (20 Year Mill Levy)

TOTAL: ALL FUNDED PROJECTS \$57,700,000

PAGE TWO 2000 CAPITAL IMPROVEMENT PROGRAM

SALES TAX PROJECTS

DESCRIPTION	COST
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- | | |
|--|------------|
| 1. Water Treatment Plant (WTP) (regulatory) | 15,500,000 |
| 2. Landfill | 5,000,000 |
| 3. Water Pump Station No. 1 | 500,000 |
| 4. Water Distribution | 3,000,000 |
| 5. (Greer) 34th St./Drainage | 3,500,000 |
| 6. Major Arterial (matching amount):
Flower Md. (Gore to Rogers Ln) (\$1.8 to \$2.8 mill) | 2,800,000 |
| 7. Parks/Lakes Recreation Areas | 1,500,000 |
| 8. Economic Development | 1,500,000 |
| 9. LPS Improvements | 12,200,000 |

SUBTOTAL: FUNDED BY SALES TAX \$45,500,000
 (1.25% for 5 Years)

AD VALOREM TAX PROJECTS

1. Water Treatment Plant (WTP) 20,000,000
 (age, condition, capacity)
2. Water Distribution 3,000,000
3. Major Arterial (matching amount):
 NW 38th (Cache to Rogers Ln) 1,600,000
 (\$1.0 to \$1.6 mill)

SUBTOTAL: FUNDED BY AD VALOREM \$24,600,000
 (20 year Mill levy)

TOTAL: ALL FUNDED PROJECTS \$70,100,000"

Baker said clarification had been received from the City Attorney's office regarding those items that, if put on ad valorem, would require a simple majority as opposed to the super majority. Latest information from the City Attorney's office is that any of these items would be considered public and utility improvements and therefore would require only a simply majority so any projects could be listed on ad valorem and require only a simple majority.

Baker said he sent a memorandum on the public transportation issue; the last official action of Council was to defer action and possibly put it as a separate issue on the ballot when the CIP was considered. He said his memo suggests the City defer action and not put it as a separate issue on the ballot, and that he would look at it further when work is started on the operating budget. Baker said if the City starts a public transportation system, a long term source of funding would be required, and a one-time sales tax or ad valorem would not address the bus system and after five years, funds would be needed to continue the system. He said that was his suggestion and Council could advise as to how to proceed.

Baker said regarding the handout for tonight, the first page shows the projects staff recommended at the last meeting; the second page is based on the meeting the Mayor referred to held this morning with Lawton Public Schools and it lists the sales tax projects and ad valorem projects, assuming the LPS improvements are included in the sales tax issue.

Mayor Powell said school officials are present and he hoped Council would allow them to speak; on Item 9 on Page 2, there is \$12.2 million included for the Lawton Public Schools and he asked the City Attorney to address how that could happen.

Vincent said House Bill 1393 goes into effect November 1, 1999, authorizing and allowing municipalities to become involved with building type projects with the public school system in their area.

Baker said there are changes on the list; this morning economic development was shown as \$2 million but in order to not exceed the \$45.5 million funding, that was reduced to \$1.5 million, and that is the reason for the change; also on the ad valorem projects, the fire station has been deleted. Baker said we could not include the fire station without going over the 10 mil limit. He said for those who were not in the meeting this morning, we have broken the water treatment plant into two different projects with one being the regulatory which is bringing the plant to standard to meet new federal regulations, and that is the \$15.5 million; then under ad valorem there is \$20 million which is to actually increase the capacity to 45 mgd. Baker said it had to be broken down to come up with the appropriate dollar amounts in the sales tax and the ad valorem.

Beller asked how the City would transfer ownership or responsibility from the City to the Lawton Public Schools. Vincent said he and Wade discussed that this morning and he read the statute as follows: "Municipalities may support any public school system located in whole or in part within the corporate limits of the municipality, including without limitation by the expenditure of municipal revenues for construction or improvement of public school facilities. In furtherance of municipal support for any public school system as authorized by this section, municipal governing body may take all actions necessary to effectuate such support." Vincent said that is the total statute and it was his understanding that the General Counsel of the Oklahoma School Board Association has been asked to issue an opinion on that question, because other school systems are faced with this and it is a brand new statute without case law or legislative history.

Steve Robinson, attorney representing Lawton Public Schools, said they had contacted the school board attorney and it was her opinion that the City could assign the money to the school and the school could be the construction boss and handle the building of the schools without the necessity of the City being responsible for making sure the construction is done right. Beller asked if Robinson was saying the schools would act as an agent for the City. Robinson said an agreement could be reached regarding how the funds are handled to construct the school; the school system can actually be responsible for the money, and the City could provide \$2.4 million or whatever it turns out to be, to construct the school or make the necessary improvements.

Vincent said that was the consensus in his department during their staff meeting this morning after the meeting with the school officials. He said one thought was the City would take the money and build the building then give them the keys; another thought was the City would give the school system a check in a certain amount; and the third thought was to enter into an agreement to specify how the money would be spent based on the election result and the issues it contained.

Barry Beauchamp, Lawton Public Schools Board of Education, said they were obviously excited about the opportunity to work with the City on this issue and the only source of funding for schools is ad valorem tax. He said they were encouraged by the fact that the Legislature had given another vehicle to accomplish funding some school improvements. Beauchamp said they wanted to go into this with a win-win attitude and felt it was imperative that the City and school district both conveyed to the public that their tax dollars are funding both entities and it does not need to be the school district trying to hold an ad valorem tax election before the City, or vice versa. He said this is not a contest between the two public entities in this community as to who has the most rights to the taxpayers' dollars; it is an effort to try to make this the best possible community we can by working together.

Beauchamp said for way too many years people had told them it was the City against the district or the district against the City, and that is not the case and there is a vehicle now with this new statute to do something that will make it possible for the school district to succeed. He said he thought everyone knew their issue was that any ad valorem tax that is not for public utilities requires a super majority to pass, 60% plus one. Beauchamp said the new legislation gives them a new vehicle to work with the City and put them in an arena that allowed them the option of having a simple majority, 50% plus one. He said it also gives the City an opportunity for the school system to support the ad valorem tax for the public utilities; they realize there are many issues for the City to address and they had one basically with school building improvements, whether that is construction of a single building or whether it is construction or improvements at multiple sites. Beauchamp said their issue is very simple, they want to work with the City to make this happen; both of the issues would be 50% issues. He said if it was necessary for the schools to be under the ad valorem side, there would be no advantage for the school system to participate with the City in this election, or for that matter, to even support the City in this election because the City would be threatening the school's base of support. Beauchamp asked that the Council support the projects as shown on Page Two of the handout.

Haywood asked that Mr. Braddy, LPS, state his opinion on this issue. Braddy spoke in favor of the proposal and stated if both entities would work toward passage, it would be successful in the election.

Beller asked when we would know where the school would be built. He said he felt that was an important factor because one of the reasons it was defeated last time, in his opinion, was the emphasis on Central Junior High School.

Beauchamp said he did not know where the school would be built but the board had expressed an interest in constructing a new junior high and doing a renovation of the existing building for some purpose for this district. He said that is reinforced by the fact that the board is getting ready to obligate almost \$1 million on the initial phase of renovation for the old building.

Beller asked if there would be a public announcement prior to the election. Beauchamp said he felt they owed it to the public to lay everything out. Mayor Powell said he addressed that at the meeting this morning and the board would have to announce exactly what they planned to do as far as a new Central Junior High School and its location prior to it going on the ballot. Beauchamp said although the resolution would not have to contain specific amounts or locations; they would want to layout in clear and concise language for the public exactly what their intentions were.

Williams asked if the school system currently has \$5 million committed to Central Junior High School renovation or another junior high. Beauchamp said yes. Williams asked if the \$12.2 million would be combined with the funds the district already has, and if it would also fund other projects. Beauchamp said their big problem is getting past the first hurdle, which is the Central Junior High issue, and they would combine the available funds with the funds in this package to do the renovation and construction of a new building and any excess funds over that would be used to do improvements at the other 41 sites, and they probably have \$100 million in needs, not \$12.2 million in needs. Beauchamp said they were looking at possible roof projects, and if they continue to diminish in size, they would be looking at possibly consolidating some schools. He said in the long run, consolidation is a savings but there are some up-front costs involved in consolidation. Beauchamp said after the roof bid comes back, the district would probably have \$4 million that was approved toward the renovation that would be put with the \$12.2 million and that would go toward those two projects initially and then whatever the board deemed needed.

Williams asked the City Attorney about combining the projects in an election. Vincent said the school project, Item 9 on Page 2, in order for it to meet the simple majority, it must be part of the sales tax; if you put it on ad valorem, under the Constitution, it must be 60%.

Haywood said he would like to hear what Mr. Purcell had to say and asked if he attended the meeting this morning.

Purcell said he attended the meeting and it seemed to be him against the rest, and at the meeting this morning he said he could not support using sales tax to build a school. He said it was not because he did not want to and not because he did not want to cooperate. Purcell said thought should be given to scenarios such as what happens if the CIP passes but the ad valorem does not, the City would not even have enough money left over in the CIP to build a water treatment plant, not to mention any of the other projects. He agreed everyone needed to cooperate as a community and said he could not, in good conscience, support using CIP sales tax to build a school because there could be problems if the ad valorem did not pass, or even worse, if the CIP did not pass, the City would be six months behind because another election could not be held for six months so that much revenue will have been lost.

Haywood asked Shanklin to state his position.

Shanklin said he had stated it previously and that he proposed working together because the same taxpayers own both of them. He said the schools just offered their cooperation and the questions should be taken to those who own both entities, and if it cannot be sold to them then maybe some of them needed to step down. Shanklin said he supported it 100% and felt it would pass; a recent editorial alluded to it and he thought the TV station would support it, and knew they were. He said it is important to be unified for it to pass, although it did not have to be 100%, because there are enough people who want to see Lawton move forward and there are associated costs. Shanklin said this is the first time there has been cooperation in this manner and that should be presented to the taxpayers.

Mayor Powell asked Haywood for his comments.

Haywood said the \$12.2 million would come to the City, and the City should receive something from that also. He said he works for the Lawton Public Schools and cares about the kids and is also committed to the City of Lawton so he would support this 100%.

Warren said he could not support this because of the fact that he did not run for the school board and he could not put that in front of what he was elected to take care of. He said we have a city council and we have a school board, and he understood the advantage in working together and the original intent was to work together, pull together, support each other, and have separate ballots and take care of the needs of each entity in that manner. Warren said the items on the list, other than LPS improvements, are City items that Council was elected to take care of and

they were not elected to take care of the LPS improvements. He said he did not deny that it needed to be taken care of but thought it was something the school board was responsible for and that he could not support it.

Mayor Powell said he would remind everyone that on the last election it was 57.5% that said they wanted to support a new Central Junior High School, and that he would think that 57.5% is still out there waiting to support this again and garner other support. Powell said he looked at it from the standpoint that the group would be working to pass all of this. He said there is a built in group of voters that would be for anything that is within reason. Mayor Powell said he would also like to point out that many of these things on here are mandated items and not just desired or wanted items but items that have been put on cities to address, so it is not a Christmas list, because they are mandates and necessities that we must have to make this City go forward.

Devine asked if the City would give the schools \$12.2 million from the sales tax, regardless of whether the ad valorem passed or not. Vincent said it would be presented as two, separate ballot titles, one for the sales tax and one for the ad valorem tax, requiring two votes by each individual who votes; if the CIP sales tax passes and the ad valorem does not, and these items are the ones listed on the CIP, those would be the ones that would be funded.

Devine asked if the schools would then have a win-win situation and the City would not. Vincent said it was possible that both would pass, none would pass, or either of the two, depending on the vote, and it may not be win-win unless both were passed.

Haywood said ad valorem had to pass by 60% but sales tax had to pass by 50% so that is the advantage the City has.

Devine said the City has no guarantee it would get ad valorem but was guaranteeing the schools they would receive \$12 million if the sales tax passed.

Vincent said we are not guaranteeing \$45.5 million; that is an estimate based on the current projections, so if the sales tax drops off for some reason there would not be \$45.5 million. Devine asked if the school would still get \$12.2 million. Mayor Powell said no, it would be a percentage based on the other figures shown.

Devine said he was afraid if this was all voted on and it did not pass, the first thing everyone would think of would be to raise utility bills and that he was 100% against raising utility bills. He said it seemed that this was drifting in that direction.

Warren said if under the new plan, the sales tax program passes and the ad valorem does not, the City will not be able to do the complete water treatment plant. He said if the sales tax under the old plan passed and the ad valorem did not, the City could still build the water treatment plant. Warren said the only thing the City would lose under the original plan if ad valorem did not pass would be water distribution for \$6 million; water pump station one, the arterials and the fire station, but we would still get the landfill, water treatment plant, Greer, and east side park.

Mayor Powell asked Warren if the CIP on page one passes and ad valorem does not, what are you going to do about water distribution. Warren said we would do what we have been doing, which is little of nothing. Mayor Powell said our people deserve better than that.

Williams said at the last meeting he asked about having two issues on the same day with separate ballots and thought it was a good idea to defray costs associated with having an election. He said both entities have needs and he felt comfortable the City's CIP and ad valorem requests would pass, and also thought that since the schools were so close last time on ad valorem that with a concerted, positive, singular approach to all of the needs, that the schools needs would pass with the 60% ad valorem vote. Williams said we are presented today with an opportunity to do something pretty innovative because of a new law, but his feeling was the citizens wanted the school system to do something that had not yet been done. He said he was not 100% sure of what it was but it may be to look at doing as much consolidation as possible. Williams said he felt they were putting the City at risk by adding this Page Two package with the needs of the Lawton Public Schools. He said he felt they were truly needs and that he would work hard assisting LPS in trying to get a super majority vote, but that he also had reservations regarding the proposal on Page Two and felt the citizens of Lawton may feel it is an opportunity to skirt the super majority and neither may pass. He said that was his personal opinion.

Beller said he received a call suggesting that to pass this, something should be included for the entire community. He said Page One shows east side park phase one for \$1.5 million, and Page Two shows Parks, Lakes & Recreation for \$1.5. Beller asked how that changed. Mayor Powell said the entire thing on both pages, as was brought out in the last meeting, should read Parks, Lakes & Recreation Areas.

Beller said West Gore Boulevard is in dire need of improvement and it is on the back, back burner. He said \$1.5 million is shown for economic development and that he was not enthusiastic about the City getting into that particular business, although there may be a need for it, but we would be far better served to provide something for everyone by including some streets and arterials. Beller said a firefighter had expressed concern about taking

an apparatus on that portion of Gore Boulevard due to the condition of the road. He said he would support a joint effort as proposed but was concerned about \$1.5 million for economic development and \$1.5 million for Parks, Lakes & Recreation.

Baker said Page One was handed out at the last meeting but during that meeting the Council by consensus said not to call it the east side park, but call it something more general and that is why the second page shows parks, lakes, recreation areas. Beller asked if we do not in fact need the money for the east side park. Baker said yes. Purcell said he would like to correct that. He said the only one who wanted to do that was Shanklin and he did not know if it was the consensus of the entire Council and that it certainly was not his agreement.

Purcell said a fire station relocation was included at the last meeting and asked why it was taken out of the new list.

Shanklin said he made the suggestion; we have not grown any and we have lost 700 students and operated since 1965 when it was built and he sold the steel on the job. He said it is not handy but to put in \$1.5 million for a fire station was not a number one priority to him. Shanklin said West Gore would be more of a priority.

Purcell said he had no problem removing the fire station but what he did not like was Council agreeing on something and having it come back differently from what was agreed on because one or two people decided to change it; it should come back the same way and the Council should change it. He said it seemed strange that a fire station had disappeared. Shanklin said he did not tell Baker to do that. Baker said he looked at the list late this afternoon and in order not to go above the \$24.6 million, which is 10 Mills, we could not include something so that item was removed.

Purcell said \$1.5 million is included for economic development that was not included last Thursday. Mayor Powell said he had suggested it be included because there is a dire need to compete with other cities in this regard, and that it was not in concrete and could be discussed.

Mayor Powell asked for Smith's comments. Smith said he was personally against having the school improvements on this but did like including economic development.

Mayor Powell said a decision is needed on whether to join with the public schools on a capital improvements program. Beller said he supported including the schools.

MOVED by Warren, to move forward with the list as presented on the first page, excluding the new idea of the LPS improvements.

Beller asked about including West Gore. Warren said his motion was addressing LPS and that Council did not have to accept the other projects listed, and his motion was to the theory of the first page. Beller said he felt it would be more of an advantage to go out together with the schools rather than having the schools request ad valorem on the same election. Smith said he would support the school board in their bid for ad valorem, and to imply that voting against the \$12 million in sales tax meant he would not support the schools was dead wrong. Smith said at the last meeting the school board representative agreed to the first page and said they would support it but they are now changing and saying they might not support it if the schools are not included. Mayor Powell said that statement probably was made and probably was correct but at the same time, Mr. Wade called him on Friday with the new information that had been found and that was when this came about, after the meeting last Thursday. Haywood said the thought was we would not compete with the schools.

Beauchamp said the schools would find it difficult to support an ad valorem election by the City because that is the only source of funding for the schools. He said that is not a threat because everyone is a member of the community and wants to see it grow and see the best things for the City and for the school district. Beauchamp said by the City collecting the taxes, and it is an innovative idea and Lawton would be the first ones giving a thought to doing this, and it shows that the Legislature knows that the Constitution, which requires the 3/5ths majority for school districts or for municipalities on structures, is all virtually impossible to change because of the composition of the Legislature, so they have built another vehicle in there for us. Beauchamp said he agreed Mr. Warren did not run for the school board and he appreciated that statement but by the City collecting the money, the City would collect all of the arbitrage off of the funds that come in and the City would draw all of the interest of what comes in, which enhances the City's coffers as well. Beauchamp said it also causes \$2 out of every \$10 spent in this community by non-residents to help build the school and the CIP would be funded 80% by the patrons of the community but 20% of that money will come from people who do not even live here as they come in and spend their dollars, and many are non-resident military people that we are always talking about them not changing their state of residence. He said they were looking for an innovative way to tap into the resources that are available.

Minnette Page, School Board President, said she had served on the Council for four years and was aware of the problems the City faced and had been supportive of the City and wanted to think the City was supportive of the school district. She said without a good school district, the City will not progress. Page said this is an innovative

way for the school district to do something, and that she would like to think that this City is progressive enough to try something new to show the community and surrounding areas that we can work together. She said unfortunately this City has had a reputation for many years that the reason we could not get any industry into this community was we were always fighting with each other; this is a time that we can come together and do something constructive for the City, for the schools, for the community, and especially for the children and their future.

Mayor Powell asked Warren to restate the motion. Warren said the motion is to move forward with the theory of the first page, meaning for the City to move forward with a list that does not include the improvements to the Lawton Public Schools, to reflect the first page but not necessarily each individual item. Warren said at another meeting the Council can change the individual items, such as changing a fire station to a road, but to move forward with the theory of the first page. Mayor Powell asked if that was to exclude the Lawton Public Schools from the sales tax and Warren said yes. Beller said in November when the ballots are cast, there could be a ballot for the City and another for the schools and the voters would be deciding what to support; he spoke in favor of adding the LPS Improvements to the City's CIP Program.

Warren said the list contains some fairly definite items for the City. He asked what LPS Improvement was for specifically; the Council is being asked to go forward with a plan without knowing what is included. Warren said Council was not elected to take care of the schools and is now being asked to do so without being told what is included in the line item. Beller said the schools know their needs, and it would be like the Airport Authority knowing its needs and it would be the same here for the school board to determine their needs. Mayor Powell said it would be a showing of faith and trust in them and that Beauchamp said they had needs of \$100 million. Mayor Powell said having served in that capacity, he thought that might be an understatement and it might be greater than that, and the \$12.2 million is a part of it and we should have faith and trust in them.

Shanklin asked if there was a second to the motion and Mayor Powell said no.

Vincent said the LPS Improvements would have to be for construction or improvement of public school facilities; it could not be used to buy buses or pay salaries. Mayor Powell said the schools assured them this morning they were building a new Central Junior High School because he asked that question because the taxpayers need to know.

Warren restated the motion of moving forward with the general theory of the first page of this handout which excludes \$12.2 million for the Lawton Public Schools Improvement. Smith offered a Second to the Motion.

SUBSTITUTE MOTION by Shanklin, SECOND by Beller, to entertain the second page and in the very near future identify funds for West Gore.

Williams said the City has had problems in the past in passing sales tax issues because the Council could not agree among themselves what should be done, and that is coming up this evening. He said the City is about to fall apart regarding infrastructure and that does not seem to be addressed a lot other than the money shown for mandated and other items to get the City back in shape. Williams said the number one goal is to see that the City moves forward and that a world class education system is in place but he could not put the two together on the same issue for the vote.

Purcell said he hoped that 100% of the Council would support the program that is developed, and hoped the school board would do the same.

Haywood reviewed a map stating of all the infrastructure that was needed, Ward 7 had the oldest and it needed to be updated and Ward 2 was number one priority. Williams noted the amount of CDBG funding that had been spent on infrastructure in Ward 7.

Beller asked if there was a conflict of interest with Purcell and Smith since their wives work for the school board. Warren said Haywood works for the schools directly. Purcell said he would decide his own conflict of interest. Beller asked if the attorney had any input. Vincent said his wife also works for LPS and this is a tough question. Purcell said Shanklin's daughter works for LPS and did not know why it was brought up. Vincent said he did not think there was a perceived conflict of interest when a relative works for LPS; there might be and probably is a conflict of interest since one of the Council Members is a direct employee.

Mayor Powell said there was a comment that the Council was elected to take care of City business and that he would agree to that 100% but must remind everyone that there are children in each district and that they must be represented as well and they are crying for you to do that.

VOTE ON SUBSTITUTE MOTION: AYE: Devine, Shanklin, Beller, Haywood. NAY: Warren, Smith, Williams, Purcell. TIE VOTE. MAYOR VOTED YES. SUBSTITUTE MOTION CARRIED.

Warren said he was concerned about a legal question on the vote. Vincent said he had provided advice and

apparently it was not followed. Williams asked if that was with regard to Haywood not abstaining and Vincent said yes. Williams said Haywood had always abstained straight on when there was any issue dealing with the Lawton Public Schools, and he understood this was the biggest Lawton Public Schools issue that had ever come before this body.

Haywood said if he could abstain from the Lawton Public Schools Improvements, he would, but he could not because of the other eight items that are included and if the other eight items had not been included, then he would have abstained.

Shanklin asked Vincent if he said Haywood could not vote. Vincent said he was not the parliamentarian but he was asked for a legal opinion as to whether he thought there was a conflict of interest for Mr. Haywood to vote and he said yes, but that is an opinion only and under Robert's Rules of Order, he was not the parliamentarian for this body. Smith said he felt the decision was up to Haywood and his conscience and that he would respect the vote. Shanklin said we are talking about a \$57 million project with \$12 million of it going to the public schools.

Steve Robinson said Haywood has no control over where the money will be spent or any direct supervisory capacity to the school board or even to the board of education so any perceived conflict would be if he got to make a decision on how the money gets spent, and it is clear that he does not have that capacity.

Discussion continued with regard to the project list. Beller requested that Gore Boulevard between 67th and 82nd be included. Purcell asked if the fire station would be included since Council had received reports that it was in bad condition and falling down. Beller said he had been to the fire station and it is in dire need of replacement. Purcell said he felt the fire station should be included and that he did not know what to take out to be able to include it. Haywood suggested taking out \$500,000 from economic development. Williams said the project will cost \$1.3 million, and the fire station could be funded from the \$1.5 shown for economic development and the \$200,000 be used for another category. Beller said the Airport Authority could use the \$200,000.

Shanklin said we had several buildings designed by an architect at that time, one was the YMCA, and structurally the building is sound; it is where they poured the concrete that is not tied, a floating slab so to speak, that was allowed to move. He said if it is structurally where it can fall in on someone's head then they should be out of there right now but that he did not think it was about to fall down. Shanklin said the floors and walls are not tied to the ceiling to the structural part of the building. He said the YMCA had doors that would not close by six inches but that did not mean it was about to fall down, it meant that the concrete floated up and down but the pier, the grade beam and the structural part of that building is sound, and the gentleman left town.

Williams suggested using the \$1.5 million shown for economic development to do the West Gore project. Mayor Powell agreed West Gore needed work and said there will be a bid letting in August on 82nd Street, and it needed to connect.

Beller said on the fire station, the men have bricks under the beds to level them. Shanklin said it is the floor and they were talking about the structural integrity of the building; the roof will not fall in on them and if it is, they should have moved out ten years ago. Beller said he did not think it would fall in today, but there is a need to relocate the 53rd and Gore fire station. Shanklin said he was not opposed but we have lived with it since 1965 and that we have not grown and our needs are not as great as they were; we are 700 down in enrollment.

Mayor Powell suggested Baker provide a project cost for Gore Boulevard at the next meeting and have the Fire Chief do a briefing on Fire Station #5. Ihler said the cost for Gore would be similar to that for 38th Street; approximate cost would be \$1 to \$1.6 million for budgetary purposes. Vincent said 38th Street is shown for matching funds. Ihler said that is based on an assumption that it will be an ODOT project where the City would fund 25% to 40% with regard to right of way, engineering, relocation, and an 80-20 match on construction.

Mayor Powell asked if Beller wanted a four lane. Beller said he did not think it needed to be four lane. Mayor Powell said a cost estimate could be provided for an improvement without the four lane. Warren said it could not be a simple overlay because there is no curb or gutter, and if you spend the money, you might as well do it right. Baker recommended West Gore be designed to be compatible with the roadway on 67th because traffic will increase when 82nd Street is redone.

Purcell said West Gore could replace economic development unless there was another option. Smith spoke in favor of keeping the money for economic development. Warren said he thought it was a good idea to have money for economic development, but not a requirement, and there is already the hotel/motel tax for that purpose. Purcell said something would have to be taken out to be able to pay for West Gore.

Shanklin said if this passes, someone will still be spending money from it in the Year 2009, and we still have some money left in the 1990 CIP. He said someone will be first on the list and someone will be last and nothing has been prioritized, such as when the school would get part of their money. Shanklin said discussion had not been held on when and how the schools would get their part of the funding, or whether projects would be pay as you go or

through loans. Baker said there were time tables on the water plant and on the landfill; the other projects would be scheduled and decisions required on applying for OWRB loans.

Mayor Powell asked to be excused from the meeting due to a prior commitment. Mayor Pro Tem Smith presided over the remainder of the meeting.

Vincent said the ad valorem tax \$24.6 million will have to be a bond issue by law because ad valorem tax is used to pay off indebtedness incurred by the municipality in borrowing money; that is the authority for going out for ad valorem taxes, so you have to borrow the money and use the ad valorem tax to pay it off. He said there are significant up front costs on the others, such as the \$15 million on the water treatment plant, and it can be pay as you go but you have to have the money in the bank before you can spend it so that would be a call for the Council to make as to whether a revenue issue would be done on the sales tax to get up-front money to get started, or wait until the money is collected. Vincent said you do not have to do bonds for the entire \$45 million and you can do a part or none, but Council would decide that.

Purcell suggested the projects listed be prioritized. Shanklin said you have to do the water plant, and it was reasonable to borrow the money for that. Shanklin asked if the landfill had to be done the first year or if it could be done the third year, etc.

Ihler said he would prioritize the landfill before the water plant because by the time we get in the process of going into the next cell, we need to have the money up front and we are looking at going into the next cell in about a year and a half. Shanklin asked about the next cell and Ihler said it is the open hole. Ihler said it would be a year and a half if the projections received from Republic Paper are correct. Shanklin asked if the cells last five years. Ihler said the original design of each cell was five years when they were looking at receiving 100,000 tons a year in 1988; we receive about 120,000 tons a year so each cell's life then becomes about four years, but with Republic Paper coming on line, it will be less than four years because Republic will bring in about 60,000 tons a year. Shanklin asked if that could be used for cover and Ihler said he did not know yet and they had not received information as to the quality of the material.

Purcell said priority would be used in case there was a shortfall in collections. Warren said he liked the list as prepared, switching the first and second projects. Beller asked if we are saying that Item 9 would be the last priority and would be funded last. Devine asked for the City Manager's recommendation and Baker said the projects were listed by staff according to recommended priority. Baker said they did not consider Item 9 in the City's priority setting.

Smith asked if the school improvements had to be done with a bond issue. Vincent said the schools could not let a contract until they had the required amount in the bank. Robinson agreed. Purcell asked if the schools could get a loan and repay it with the sales tax and Vincent said no, it is the City's revenue and the motion was the City would fund around \$12 million.

Williams asked if the school could not be built until the entire \$12.2 million was accumulated. Vincent said at 1.25% it would take about a year and a half. Purcell asked if everything else would be held up as a result. Vincent said it would be the same with the water treatment plant and Purcell said you could borrow money to do that project. Williams said it might take three years for the schools to get the money unless an awful lot was committed for them up front. Robinson said he did not think the schools were advocating stopping the City's projects, and the schools have some money on hand and it would take a long time to build a school.

Baker said it would be helpful if the Lawton Public Schools could give the City a list of the projects and the timetable being considered, and Council could consider those along with the other projects and place them into the priority. Page said the School Board will meet on Wednesday night and would have a priority list with timetables.

Shanklin asked about borrowing money for the projects.

Steve Livingston, Finance Director, said you could borrow the money for the water treatment plant, pump station and probably water distribution from the Water Resources Board. He said the SRF Program is long term financing; the short term construction financing could be used while funds are being collected and that is the FAP or Financial Assistance Program, but it is at the going rate, if not a little higher due to administrative costs, and the administrative process is greater than that required on the open market.

Livingston said the water treatment plant is shown under ad valorem for \$20 million and a 20 year program. He said Lawton currently has a loan from the 1995 sales tax program and has applied for funding for the sewer rehab program, which is being repaid through the rate increase which went into effect January 1, 1999. Livingston said water and sewer would qualify for OWRB loans, but the landfill would not. He said the sewer rehab is being done through force labor, meaning using our own crews for the work, and we are still taking information to OWRB trying to get on the September agenda for a loan. Livingston said he had been working on it for at least nine or ten months and it has been kind of a problem.

MOVED by Purcell, SECOND by Devine, that the priority list for the CIP projects that are listed 1-9 that those be the priority that we go through for the CIP.

Williams asked if that meant that the school system would be the last to be funded. Purcell said no because when we did the CIP last time, we spent money on several projects but these are the priority projects before any other projects are funded, and we did the same thing on 1995 making sure the priorities were done before using CIP funds for anything else. Purcell said it does not mean that the last project that gets funded is LPS Improvements, because they may need \$2 million in Year Two and would get it but the City might not need the money for Flower Mound Road until Year Five because it is matching funds, but that is the priority, and before any new projects are funded, these must be done. Beller asked if it was not necessarily in this order and Purcell said not necessarily because some cannot be done in that manner. Beller said it would be as funds become available. Purcell said nothing else could be done until all of these were covered. Shanklin said Item 3 would not be greater than Item 9, or 6 greater than 5.

Williams said he thought economic development would stand out on a list submitted to voters and that we cannot really put our finger on what it is. He said we know it is needed and a lot of people do it, and it should be funded through a vote of the people but it should be removed from this list and the funds used elsewhere. Williams said it could be considered in the future but would likely jeopardize the other items on the list. Shanklin said he felt adding West Gore would enhance voter turn out in a positive way and provide more things for a wider section of the community.

Purcell asked if revenue bonds could be done for projects that are not related to water. Livingston said the only thing you could do revenue bonds on were items that come under the Water Authority, and a revenue bond could be done on the landfill through the Water Authority but not through the OWRB; OWRB is restricted to water and sewer.

Purcell said if LPS needs the \$12.2 million at the beginning of the third year of a five year CIP, can the City borrow money on \$12.2 million to be paid back by the sales tax. Livingston said if you do not have the approval of the voters, the City of Lawton cannot go into debt with the sales tax or ad valorem. Livingston said the Lawton Water Authority can borrow money, but there is no revenue obligation available to the City.

Livingston said if the ad valorem passes, and sales tax and ad valorem will both be needed for the water plant, the \$20 million on the bottom will have to be done through debt. He said the Water Authority could go for a debt of \$15.5 million, and the entire \$35 million and back it up with the sales tax, so then you have a cash flow problem if you are trying to get the school moved up. Livingston said the landfill would need to be done out of cash as it comes in, and the rest will have to be determined in priority as compared to the school's needs for funds.

Smith asked if some would be pay as you go and others would be through a debt. Livingston said because it is \$35 million, it will be about four years before you will have all of the money, and first you have to do the design and that will take some time, but the Water Authority will have to have construction financing and probably would use the OWRB for that. Livingston said we already have an estimate of \$9 or \$10 million for next year to try to get this program started; there is a preapplication before the OWRB for this program.

Shanklin suggested staff meet with the legal and finance consultants and provide further information.

Purcell said there was a motion on the floor and they had not worked out whether economic development would be included or changed to West Gore.

AMENDED MOTION by Purcell, SECOND by Beller, to change economic development to West Gore Boulevard from 67th to 82nd Streets and other needed street projects.

VOTE ON MOTION WITH AMENDMENT: AYE: Smith, Williams, Devine, Purcell, Shanklin, Beller, Haywood, Warren. NAY: None. MOTION CARRIED.

Vincent said documents must be at the Election Board no later than September 9 to be able to have a November 9 election. He said there will be a need for an ordinance, two resolutions and two election proclamations.

The next meeting was set for Tuesday, August 17 at 5:30 p.m. to further consider the CIP and receive information from the legal and finance consultants.

There was no further business to consider and the meeting adjourned at 6:50 p.m. upon motion, second and roll call vote.

